

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6442**

**BILL NUMBER:** HB 1108

**NOTE PREPARED:** Feb 6, 2008

**BILL AMENDED:** Jan 22, 2008

**SUBJECT:** Sheriff's Compensation.

**FIRST AUTHOR:** Rep. Buell

**FIRST SPONSOR:** Sen. Merritt

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- A. It provides that the maximum annual compensation for a county sheriff is the sum of: (1) the annual minimum salary that would be paid by the state to a full-time prosecuting attorney in the county; and (2) the amount of any additional annual salary paid by the county from county sources to a full-time prosecuting attorney in the county. It excludes certain retirement, disability or worker's compensation benefits from public sources of income that would limit the sheriff's salary.
- B. It provides that the compensation limit applies to a sheriff elected or reelected to office after November 1, 2010.
- C. It requires the sheriff to deposit into the county general fund any tax warrant collection fees that would, if retained by the sheriff, result in the sheriff's annual compensation exceeding the allowed amount. It requires amounts deposited in a county's general fund under this provision to be used to reduce any unfunded liability of a sheriff's pension trust plan established for the county's sheriff's department. It provides that any amounts remaining after applying money to the unfunded liability must be applied to the costs of operating the county's sheriff's department.

**Effective Date:** January 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) Since this bill would not take effect until after 2010, any savings are difficult to predict for at least two reasons: First, since there are three ways that sheriffs can be

paid, the salary option they choose in 2007 may be different than the salary option in 2010. And second, the salaries of judges and prosecuting attorneys may have increased enough for the sheriffs to choose to be paid on the basis of the salary of the prosecuting attorney.

As an illustration of potential savings, LSA examined 2007 salaries and 2006 meal allowances and 2006 tax collections as a baseline. Nine counties could save an estimated total of \$349,000 in salary expenses by using the formula in this bill. This illustration is shown in the following table.

	No. of Counties	Counties with Sheriff Salaries Exceeding Prosecuting Attorney Salary	Expenditure Savings if Salary Reduced to Prosecuting Attorney Level
Contract Salary with No Supplements	50	2	\$38,547
Salary as Percent of Prosecuting Attorney's Salary & Tax Warrants	20	2	\$207,783
Base Salary with Extra for Meal Allowance and Tax Warrants	<u>22</u>	<u>5</u>	<u>\$102,402</u>
Totals	<u>92</u>	<u>9</u>	<u>\$348,732</u>

Background on Salaries of Sheriffs and Prosecuting Attorneys: Current statute provides three methods for paying for sheriffs salaries:

- Contract salary with no supplements from tax warrants or prisoner meal allowances (IC 36-2-13-2.5).
- Salary as a percentage of prosecutors salary, with the percentage dependent on the county's population and tax warrant collection fees (IC 36-2-13-2.8).
- Base salary with extra for meal allowance and tax warrants (IC 6-8.1-8-3).

The salary of a full-time prosecuting attorney is equal to the salary of a circuit court judge (IC 33-39-6-5). The salary of a circuit court judge is specified in statute and, if it is not adjusted each year by the General Assembly, it is increased at the same percentage increase as those in the executive branch in the same or similar salary bracket (IC 33-38-5-8.1).

Consequently, how this bill might affect the salary of a sheriff is speculative. Between 2005 and 2007, the salaries of judges and prosecuting attorneys have increased at an annual average rate of 4.2%. Assuming this rate continues, projected salaries are shown below.

Reported Salaries			Average Annual Percent Increase	Projected Salaries Based on Average Annual Percent Increase 2005 - 2007			
2005	2006	2007		2008	2009	2010	2011
\$110,500	\$115,282	\$119,893	4.2%	\$124,885	\$130,085	\$135,501	\$141,143

### Explanation of Local Revenues:

**State Agencies Affected:**

**Local Agencies Affected:** Sheriffs.

**Information Sources:** Marilyn Rudolph, State Board of Accounts; Indiana Code.

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.